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Agency Secretary

# State Water Resources Control Board

## Division of Financial Assistance

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Arnold Schwarzenegger  
Governor

## SMALL COMMUNITY GROUNDWATER GRANT PROGRAM

### SOLICITATION NOTICE

July 7, 2005

The State Water Resources Control Board (State Water Board), Division of Financial Assistance, is accepting informational questionnaires (pre-applications) for the Small Community Groundwater Grant Program. The Small Community Groundwater Grant Program, funded by Proposition 40, provides \$9.5 million in grant assistance for small communities with financial hardship whose water supply is from a groundwater source that is contaminated with arsenic and/or nitrate.

Grants will be available to help these communities install treatment systems to achieve compliance with Maximum Contaminant Levels (MCLs), or provide an alternate source of drinking water.

#### Who may apply?

To qualify for funding under the Small Community Groundwater Grant Program, communities must meet certain population and hardship requirements. In order to qualify for a grant, the applicant must meet the eligibility requirements below. In addition, to be eligible for funding, all projects proposed for this grant program must be able to be completed by **September 2008**.

#### Agencies and Organizations that may apply:

**Local public agencies** and **nonprofit organizations** are eligible to receive grant funds. Eligible nonprofit organizations must be public benefit corporations formed under Section 501(c)(3) of the Internal Revenue Code.

**Private not-for-profit water companies**, such as mutual water companies, must also be 501 (c)(3) nonprofit organizations to be eligible to receive Small Community Groundwater Grants. Although [Public Resources Code section 30950 \(c\)](#) indicates that private not-for-profit water companies may receive grants; Proposition 40, the bond measure that authorized this grant program, specified that only public agencies and nonprofit organizations, formed under section 501(c)(3) of the Internal Revenue Code, are eligible to compete for the grants. ([See Public Resources Code section 5096.650\(c\)](#).) Under these circumstances, the voter-approved bond measure takes precedence over the enabling legislation.

#### Applicant must be a small community:

A **small community** is a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality, where the segment of the population is 20,000 persons or less. For this program, information gathered during the 2000 Census will be used to determine the population of the community.

#### Applicant must demonstrate a financial hardship:

For the purpose of this solicitation, a community will be considered to have a **financial hardship** if the Median Household Income (MHI) for the community is 80 percent of the statewide MHI or less. The 2000 Census will be used in this determination and the cut-off value is \$37,994.00. Applicants are required to provide evidence that the entire community to be served by the project meets the eligibility requirements for both population and MHI, prior to receiving grant funds. Census information can be found at <http://factfinder.census.gov/home/saff/main.html?lang=en>. Instructions for using the Census Bureau website are located on the Small Community Groundwater Grant Program's homepage

<http://www.waterboards.ca.gov/funding/scggw/mhicensus.pdf>. Community income surveys will be accepted as an alternative to using 2000 Census data to establish MHI.

### **What types of projects can be funded?**

Small Community Groundwater Grant Program funds can be allocated for projects to assist small communities in complying with MCLs for arsenic and nitrate, and for projects identified by the Department of Health Services (DHS) as having a priority to address the needs of small community water systems. Priority will be given to projects that provide an alternate source of drinking water, either by connecting to another water system or drilling a new water supply well, and projects that treat water to achieve compliance with MCLs for arsenic, nitrate, or both.

Projects that seek to replace a contaminated water supply by drilling a new water supply well will only be considered if the applicant can provide evidence that 1) there is reasonable certainty that the new well will produce better quality water, and 2) the project can be sited, designed, and constructed within the grant timeframes. Suitable evidence for Item 1 would be well construction details, aquifer tests, and laboratory analysis for water samples from existing wells that are screened in the aquifer zone that the new well would draw from.

If the project includes treatment of an existing groundwater source, the treatment technology proposed by the small community must be either a best available technology, technology that has been accepted by DHS, or technology that is in the process of being studied for DHS acceptance. For information about accepted treatment technology, please refer to the following DHS web page:

<http://www.dhs.ca.gov/ps/ddwem/Prop50/xlss/treatmentsummaries-04.25.05.xls>

### **What are the minimum and maximum grant amounts and matching funds requirements?**

Grants will be limited to a minimum of \$100,000 and a maximum of \$2,000,000. There is no matching funds requirement for this program; however, applicants will be required to provide evidence that they will be able to fund the continued operation and maintenance of the project after construction and any project costs in excess of the grant cap.

### **How will the Board determine who receives grant funds?**

The State Water Board will develop a Competitive Project List (CPL) by soliciting projects using an on-line questionnaire, which will serve as a pre-application for this grant program.<sup>1</sup> State Water Board staff will provide technical assistance to applicants and assist them with the application process. Questionnaires will be reviewed by State Water Board staff, in consultation with DHS, and the projects will be ranked in order of priority to develop the CPL. The State Water Board will consider the CPL at a public meeting, and the applicants who submitted the most competitive project proposals will be placed on the eligible portion of the CPL and invited to submit detailed applications. The eligible portion of the CPL will have more projects than there is funding available for under this program. Projects that are on the eligible portion of the CPL will be funded in the order that completed application packages are received, regardless of their position on the list, until the available funding is exhausted. Even if a project scores high on the CPL, failure to provide the necessary information in a timely fashion could result in funding not being available for that project.

We have screened pre-applications that were submitted to DHS under that agency's Proposition 50 Small Community Water System Facilities (SCWSF) grant program (Chapt. 4a.1) for eligibility for the Small Community Groundwater Grant Program. Staff will contact eligible applicants and invite them to apply for grants from the State Water Board's Small Community Groundwater Grant Program. If you did not submit a pre-application for the DHS SCWSF grant program, but believe that your project is eligible for funding under the State Water Board's Small Community Groundwater Grant Program, you should submit a pre-application

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<sup>1</sup> Inclusion on the CPL allows applicants to be considered for financial assistance. However, placement of the proposed projects on this list is not a commitment to fund.

for this grant program by completing a Financial Assistance Application Submittal Tool (FAAST) Questionnaire.

The State Water Board will rank projects for inclusion on the CPL based on the Contaminant Score, and in consultation with DHS. The Contaminant Score is a measure of the type and degree of contamination. This will be determined by adding the ratios for the concentrations of arsenic and/or nitrate detected in the groundwater relative to the MCLs for each. Only constituents in excess of the MCL are included in the Contaminant Score calculation (see calculation below). For arsenic, the federal MCL of 10 µg/l will be used in the calculation. The concentration used in the calculation must be the average of the last four water samples if the data is available.

Contaminant Score calculation:

$$\frac{\text{Arsenic concentration, } \mu\text{g/l}}{\text{Arsenic MCL}} + \frac{\text{Nitrate as NO}_3, \text{ mg/l}}{\text{Nitrate as NO}_3 \text{ MCL}} = \text{Contaminant Score}$$

For instance, if the average groundwater contaminant levels are twice the MCL for arsenic (i.e., 20 µg/l) and three times the MCL for nitrate as NO<sub>3</sub> (i.e., 135 mg/l), the contaminant score for the project will be five, as shown below.

$$\frac{\text{Arsenic, } \mu\text{g/l (20 } \mu\text{g/l)}}{\text{Arsenic MCL (10 } \mu\text{g/l)}} + \frac{\text{Nitrate as NO}_3, \text{ mg/l (135 mg/l)}}{\text{Nitrate as NO}_3 \text{ MCL (45 mg/l)}} = \text{Contaminant Score (5)}$$

If the groundwater contaminant level is 20 µg/l for arsenic and 35 mg/l for nitrate, the nitrate ratio would not be included in the calculation because nitrate does not exceed the MCL. The resulting Contaminant Score is 2 in this example.

Based on information provided by the applicant, State Water Board staff, in consultation with DHS, will prepare a draft CPL. The State Water Board will consider the draft list at a public workshop and decide on the final list at a public Water Board meeting. After the State Water Board adopts the final CPL, successful applicants on the eligible portion of the list will be asked to prepare a detailed application, and provide any additional information that is needed. Additional information necessary to complete the detailed application will include the following:

- Detailed project description;
- Documentation that environmental reviews required by the California Environmental Quality Act have been completed;
- A description of the groundwater basin, including depth to groundwater, State well identification number(s) and well completion report(s) (well logs) for each contaminated well. If available, please provide well completion reports for any other municipal or agricultural water supply wells in the vicinity;
- Documentation that the applicant is a local public agency or a 501(c)(3) nonprofit organization;
- Documentation that the community's groundwater supply exceeds the MCLs for arsenic or nitrate (include laboratory analytical reports for the past four sampling events, if available);
- A resolution from the applicant agency's Board of Directors authorizing the Project Director to enter into a grant agreement with the State Water Board;
- Schedule for project activities;
- Draft Scope of Work for the project;

- Line Item Budget for the project;
- Verification of Population and Median Household Income for all areas to be served by the project;
- Evidence that the applicant will be able to fund the operation and maintenance of the project for a period of 20 years;
- Status of any real property or right-of-way acquisitions that are necessary for the project to proceed.

Grant funds will be committed to the projects on the eligible portion of the CPL based on the applicants' readiness-to-proceed and timely submittal of completed applications. State Water Board staff will process applications in the order complete applications are received until the funding is exhausted. A project is considered ready-to-proceed when the environmental review process, project design, other permitting processes, and construction can be completed within the funding timeframes (i.e. by **September 2008**). The types of activities necessary for a project to be ready to proceed include, but may not be limited to, the following:

- Completion of environmental documents necessary to comply with the California Environmental Quality Act (CEQA);
- Completion of any required public review process;
- Secured permits or approvals from federal, state, or local governmental agencies;
- Preparation of facility design plans and specifications for the project;
- Preparation of a project implementation schedule; and
- Execution of any agreements for real property acquisition, if necessary.

State Water Board staff will work with successful applicants to develop a grant agreement for implementation of the project. A flowchart illustrating the Small Community Groundwater Grant Program process and associated milestone dates is located on the Small Community Groundwater Grant Program's web site. <http://www.waterboards.ca.gov/funding/scg-gw.html>.

### **How do I apply for a grant from the Small Community Groundwater Grant Program?**

All applicants requesting funds from the Small Community Groundwater Grant Program must submit a complete electronic questionnaire (pre-application) using the State Water Board's online FFAST at the following link: <https://faast.waterboards.ca.gov/>. Applicants who do not have access to the internet or who need assistance completing the pre-application may contact State Water Board staff for assistance. The Small Community Groundwater Grant Program FFAST Application Package Checklist on the next page provides generalized instructions for using FFAST in addition to listing the application submittal requirements to be placed on the CPL for the Small Community Groundwater Grant Program.

### **When are applications due?**

Applications must be received electronically by the State Water Board no later than **August 19, 2005, at 5 PM**.

If you have any questions regarding this program, please check our Frequently Asked Questions page at: <http://www.waterboards.ca.gov/funding/scggw/faqs.pdf>, or contact Tom Peltier at (916) 341-6969 or [tpeltier@waterboards.ca.gov](mailto:tpeltier@waterboards.ca.gov).

<b>Small Community Groundwater Grant Program - Application Package Check List</b>									
Within the FAAST Program, the following SECTIONS must be completed and submitted:									
<input type="checkbox"/>	<p><b>General Information:</b>            Project Title: Enter the name of the project            Project Description: Provide a brief description of the proposed project, approximately 1-2 paragraphs (max. 1,000 characters)            Project Director: Provide the name and details of person responsible for executing grant agreement for applicant</p> <p><b>Project Budget:</b>            Funds Requested: Minimum of one hundred thousand dollars (\$100,000); Maximum of two million dollars (\$2,000,000)            Cost Matching Funds: May be left blank            Total Budget: Total estimated cost of project</p> <p><b>Project Location:</b>            Latitude and Longitude: Enter values            (For the project location information requested in this section, specify the latitude and longitude values that are representative of the project. For large areas of land, specify the mid-point of the area.            County: Select name of County where project resides            Responsible RWQCB: Select appropriate Regional Water Board</p>								
<input type="checkbox"/>	<p><b>Funding Programs:</b>            SCGG Competitive Project List (Prop. 40): Place check mark in box to apply for CPL placement.</p>								
<input type="checkbox"/>	<p><b>Legislative Information:</b>            Enter appropriate district numbers for each listed office.</p>								
<input type="checkbox"/>	<p><b>Agency Contacts:</b>            Enter the Agency Contacts you have contacted, or will be contacting, regarding this proposal.</p>								
<input type="checkbox"/>	<p><b>Cooperating Entities:</b>            Please list any consultants or other organizational contacts involved in the development of the project.</p>								
<input type="checkbox"/>	<p><b>FAAST CPL Questionnaire</b>            Please answer all questions. Any blanks may affect your eligibility for placement on the CPL.            The questions in this section refer to the SCGG requirements. If needed, please refer to the SCGG Solicitation Notice when completing this questionnaire.</p>								
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